Testimony on:
Data Analytic Interface

KHPA Document Imaging System

KHPA Online Application System

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KHPA Data Analytic Interface Project Update

Mr. Chairman and members of the committee, my name is Andy Allison and I am the Medicaid Director and Deputy Director of the Kansas Health Policy Authority. I am here today to provide an update on the KHPA Data Analytic Interface, Document Imaging System and Online Application Projects.

Background:
In order to allow KHPA staff and stakeholders to access KHPA-managed data more easily and quickly, a Data Analytic Interface (DAI) that incorporates data from the Medicaid Management Information System (MMIS), the State Employees Health Benefits Plan (SEHBP) system, and Kansas Health Insurance Information System (KHIIS) will be created. The breadth and depth of information contained in these datasets presents an unprecedented opportunity to document, describe, analyze, and diagnose the state of health care in Kansas.

The data contained in each of the systems are:

- MMIS – medical claims data for approximately 400,000 Medicaid and SCHIP consumers.
- SEHBP – Medical coverage and workers compensation claims, medical, lab results, drug and dental claims data and also member eligibility data for several hundred thousand consumers covered lives.
- KHIIS - detailed claims, enrollment and health plan information from 20 to 30 private insurance carriers regulated by the Kansas Insurance Department.

The overall goal of KHPA is to take currently available data from the three systems and create an analysis workshop. This will allow, across data bases analysis based on episodes of care of individual beneficiaries, disease management, predictive modeling, evaluative analysis, etc, to measure costs and outcome effectiveness. The DAI is being designed to provide information about disease management using both Medicaid and non-Medicaid data to compare the health care services received with normative groups and identify practice trends. KHPA will utilize the data analysis to develop improvements in the overall Medicaid program and to advance health policy for the state. The improved decision-making capability of the DAI should lead to increased productivity and more efficient use of state health care dollars in order to manage costs, quality, and access to health care programs.

The Legislature provided full funding for the DAI project in its FY 2008 appropriation including funds for additional staff and for procurement of the system.

Project Update:

On June 4, 2008, CMS approved a request for enhanced (90%) Federal Financial Participation (FFP) for the Medicaid portion of the DAI Project Implementation. Following high level and detailed technical evaluations of the bids received, vendor presentations, negotiations, and reference checks, the DAI contract was awarded to Thomson Reuters in July 2008 after receiving approval from the CMS and KITO. A Steering Committee, Core Project Management Team, and Workgroups were formed and have started meeting regularly. The detailed project plan was approved by KITO on September 4, 2008. Pre-JAD (Joint Application Development) and requirements gathering meetings have been completed with over 9 key stakeholder groups (Claims, Managed Care, Financial, Eligibility, Provider/Operations, Benefits, Fraud & Abuse, State Employee Health Plan,

KHIIS). A Data Summit is planned today (October 7) to normalize all data sources into one database and lay the groundwork for developing a unified model. Anticipated availability date for the fully-tested MMIS and SEHP data reports is October 2009, with KHIIS following closely in December 2009.

DAI High Level Timeline:

- KHPA received approval for the DAI High Level Project Plan from the Chief Information Technology Officer (CITO) on October 12, 2006.
- An Advanced Planning Document (APD) was submitted to the Centers for Medicare and Medicaid Services (CMS) on December 26, 2006.
- CMS denied the request for funding on February 2, 2007, asking for clarifications and listing issues to be addressed in a subsequent APD.
- KHPA addressed all the CMS issues in a second APD that was submitted May 11, 2007. To validate our position that a DAI was needed KHPA issued a Request for Information (RFI). The purpose was to document the advances that have occurred in technology and software since KHPA purchased its MMIS system five years ago.
- On July 3, 2007 KHPA received notice that the second APD had been approved. This approval will allow enhanced 90% federal financial participation (FFP) on 84% (the percentage applicable to Medicaid) of the cost of the system implementation and 75% FFP for 84% of ongoing operations costs. With this endorsement from CMS, KHPA moved the RFP forward to Division of Purchasing.
- The RFP was issued on July 25, 2007. The RFP, according to CMS guidelines, gives potential vendors until October 25 to submit their bids.
- CMS requires that it approve the RFP Evaluation Criteria, which will be the guide KHPA uses to evaluate all of the bids. These criteria have been developed and were submitted to CMS for approval on September 7, 2007.
- KHPA received a number of questions from potential vendors concerning the RFP. Those questions have been addressed and the answers posted on the Department of Purchasing website on September 11, 2007. KHPA indicated that if needed it would respond to a second round of questions.
- Bids closed on October 25, 2007.
- January 2008 - Vendor proposals reviewed (technical & cost) to shortlist top vendors.
- February 2008– Vendor presentations and first round of negotiations.
- February 2008 – Revised cost proposals from all 3 vendors received.
- March 2008 – Site visits to clients of potential vendors (reference checks).
- March 2008 – Best & Final Offers Received.
- April 2008 – Decision and Proposal sent to CMS.
- June 2008 – CMS & KITO approval of vendor selection.
- June/July 2008 – Pre-JAD sessions with user groups commenced.
- July 2008 – Final Contract Negotiations completed.
- July 2008 – Contract signed and awarded to Thomson Reuters.
- August 2008 – Weekly planning meetings commenced and are ongoing.
- September 4, 2008 – Work plan approved by KHPA and KITO; Execution started.
- September 30, 2008 – Requirements gathering completed from all project stakeholder teams.
- October 7, 2008 – Data Summit to normalize all data sources into one database.
- October 8, 2008 – Combined Requirements Review and Kick-off.

Anticipated 1 year for completion, specifically:

- October 2009 – MMIS and SEHP Data will be ready for reporting.
- December 2009 – KHIIS Data will be ready for reporting.

KHPA Document Imaging Project

I am here to also provide an update on the KHPA Document Imaging Project.

<u>Background</u>:
Kansas Health Policy Authority (KHPA) is initiating a centralized uniform document management imaging system that meets the needs of the various departments within the agency. Upon the completion of this project the HealthWave Clearinghouse, Presumptive Medical Disability, KHPA Finance and Operations, the State Employee Health Plan and State Self Insurance Fund will all utilize imaging services from a single vendor.

Currently fragmented imaging services exist at KHPA. Departments with imaging services essentially function as individual entities utilizing individual contracts and vendors for imaging services. Two departments will implement imaging services for the first time under this project. The goal of this project is to have all KHPA departments utilize a single vendor for imaging services under a single contract. This integration will occur in phases based on need and as departmental contracts with current vendors expire.

In order to meet KHPA's needs, the integrated documents imaging system will:
- Integrate with existing business applications that exist in each department
- Allow for future expansion providing users with simple electronic access to documents, records and information streamlining the process of managing documents and information

E-Government: KHPA utilizing unified single imaging system represents an improvement in reducing the administrative complexity of our current "system". Utilizing a single system will enhance communication and decrease the fragmentation and redundancy that exist when working with multiple vendors and systems. The financial and workflow benefits of KPHA using a single document imaging system to manage its' unstructured documents will be realized very quickly. Documents will flow electronically through a workflow process carefully designed to avoid duplication of work and potential bottlenecks. KHPA will also immediately reduce its financial paper related costs, including paper stock, printing expenses (toner, ink, printers, and copiers), storage space, and office equipment.

Project Description and Scope: This project will be completed in two phases. Phase I will include Finance and Operations, Presumptive Medical Disability, State Employee Health Plan and the State Self Insurance Fund departments.

Phase II will be the HealthWave Clearinghouse. MAXIMUS, our current Clearinghouse contractor provides imaging services for KHPA as part of their contract with us. Therefore, in order to avoid duplication of imaging services we have elected to not implement imaging services with the new vendor, ImageNow, until our contract with MAXIMUS expires on December 31, 2009

<u>Project Update:</u>
KHPA used the State of Kansas Task Order process to secure a vendor for this project. KHPA signed a contract with the document imaging vendor, Perceptive Software, ImageNow on July 1, 2008. We began working with

them immediately to draft a detailed project plan for implementation. We received CITO approval for this detailed project plan on 9-5-08.

The "kick-off" meeting for Phase I execution of this project was 9-8-08. We started design sessions with Phase I departments on 9-15-08 and expect the design phase to last until 10-20-08. We expect implementation and testing to take place from 10-21-08 through 1-2-09. Our "go-live" day for Phase I is 1-12-09.

Document Imaging high level timeline:
1. Project Kick-off for Phase I was held– **9-10-08**
2. Phase I Design **9-15-08** through **10-20-08**
3. Phase I implementation and testing **10-21-08** through **1-2-09**
4. Phase I (F&O PMDT) "Go-Live" - **1-9-09**
5. Phase II (Clearinghouse) kick-off – **7-6-09**
6. Phase II "Go-Live" – **12-28-09**

KHPA Online Application Project

Finally, I will provide an update on the KHPA Online Application Project.

Project Description and Scope: The KHPA is the state agency responsible for developing and coordinating health policy in the state of Kansas. KHPA is the single State agency that administers Medicaid medical assistance programs. KHPA has developed a healthcare reform agenda which includes initiatives to enroll uninsured children in medical assistance programs. A critical element in the initiative includes an expansion of the Presumptive Eligibility for Children program.

The purpose of this project is to acquire and implement an innovative web-based application system for all medical assistance programs. We are requiring that the system will be technologically intelligent and user friendly, allowing individuals to complete a pre-screening tool to explore potential eligibility and apply for assistance at home, in public libraries, or at other locations where the internet can be accessed. In addition, it must contain a separate module for designated entities to determine Presumptive Eligibility (PE) for children who need coverage at the time of application. KHPA and SRS receive about 7,000 to 8,000 applications each month from individuals seeking medical assistance. About 15,000 separate medical program determinations are completed as a result of these applications.

E-Government: The online application will be flexible, adaptable and customizable for different users as agency needs change or upgrade. It will also be completely paperless and utilize an electronic signature. Consumers and community will be able to access it from any location where they can access the internet. This web-based application will streamline the process of application submission and is aligned with our agencies outreach efforts.

Project Description and Scope: This project will affect KHPA staff and Kansans eligible for the medical assistance programs we administer.

<u>Project Update:</u>
KHPA received High-Level project approval from the CITO on 4-15-08.

Our Request for Proposal (RFP) was approved by the CITO office on 5-16-08.

The RFP was issued on June 9, 2008 and closed on August 21, 2008.

KHPA is currently in the process of evaluating these bids.

We anticipate that the contract will be awarded by December 1, 2008

The anticipated completion time for this project is 120 days.

We are happy to take questions.